

July 3, 2013

TO: Board of Trustees
FM: Jerry Keane, Superintendent
RE: Differential Pay

The 2013 Idaho State Legislature passed IC 33-1004J which authorizes an appropriation to all public school districts for the purpose of providing “differential pay” to employees based on student achievement results. The differential pay legislation is similar in many ways to the previous Pay-For-Performance (P4P) laws that were part of the repealed Students Come First legislation. The goal is to reward staff members whose students have demonstrated superior student achievement. There are two significant differences between the previous Pay-For-Performance legislation and the new legislation:

- P4P was only for certificated staff and differential pay money is available to all staff (certificated teachers, administrators, counselors, etc.) and non-certificated (support staff, bus drivers, food service, custodial/maintenance, paraprofessionals, secretaries etc.).
- Post Falls School District received almost \$1,000,000 of P4P money in 2012 that was distributed to staff. Only \$240,000 will be made available to Post Falls staff for the differential pay plan.

As a result of this legislation, we formed a committee comprised of staff members from each building and several administrators including myself and Becky to study the matter and develop a proposal to be recommended to the Board of Trustees for consideration. The committee felt that it was important for the plan be as easy to understand as possible and give all staff members a fair chance to receive as much money as possible. The committee wanted to model the plan after already existing measures of student achievement for each school building. This led to a proposal that uses the Idaho State Department of Education’s Star Rating system of measuring student achievement success at each school.

As part of federal requirements, the state developed a system to differentiate between schools related to each school’s student achievement and academic performance. As you may recall, all of our schools, and all public schools in Idaho, received a star rating last year with 5 as the highest rating and 1 as the lowest. We had one school receive a 5 star rating, six schools receive a 4 star rating and two schools receive a 3 star rating. None of our schools received a 1 or 2 star rating. The system is heavily weighted toward identifying schools that produced the most student academic growth in a year.

As a result of these discussions, I am recommending that, for the 2013-2014 year only, the district submit the following plan to the state for approval:

STAR Rating Differential Pay Proposal		
School Star Rating	Certified Staff	Classified Staff
1	\$0	\$0
2	\$400	\$100
3	\$500	\$200
4	\$600	\$300
5	\$700	\$400

- Approximate Cost: \$240,000
- Based on last year's Star Rating the average rating was a little less than 4 stars.
- 300 Cert. Staff X \$600= \$180,000* 200 Classified Staff X \$300= \$60,000*
- Less-than-full-time employees will be prorated.
- For the purposes of this proposal any classified staff member working 30 hours or more is consider full time.

*Shares could go up or down depending on overall school ratings.

In order to qualify for the differential pay funds the district must submit a plan to the State Department of Education by October 1. If this plan is implemented it would be based on the 2014 star ratings of schools.

The legislature made it clear in IC 33-1004J that differential pay is for one year only. The Governor's Task Force on Education Reform will continue to discuss the matter of differential pay/P4P, and the intent is that the committee will develop a recommendation to the 2014 Legislature related to merit pay that may be considerably different from this legislation.

I will present this information as a Special Report during the July 8 meeting in order for the Board to have plenty of time to consider the matter prior to the October 1 deadline. As always, I am available to discuss this with you prior to our meeting.